

(Official Form 1) (12/03)

FORM B1		United States Bankruptcy Court Southern District of New York		Voluntary Petition	
Name of Debtor (if individual, enter Last, First, Middle): LFD II, INC.			Name of Joint Debtor (Spouse) (Last, First, Middle):		
All Other Names used by the Debtor in the last 6 years (include married, maiden, and trade names):			All Other Names used by the Joint Debtor in the last 6 years (include married, maiden, and trade names):		
Last four digits of Soc. Sec. No./Complete EIN or other Tax I.D. No. (if more than one, state all): 134149932			Last four digits of Soc. Sec. No./Complete EIN or other Tax I.D. No. (if more than one, state all):		
Street Address of Debtor (No. & Street, City, State & Zip Code): 1 Crosfield Avenue West Nyack, NY 10994			Street Address of Joint Debtor (No. & Street, City, State & Zip Code):		
County of Residence or of the Principal Place of Business:			County of Residence or of the Principal Place of Business:		
Mailing Address of Debtor (if different from street address):			Mailing Address of Joint Debtor (if different from street address):		
Location of Principal Assets of Business Debtor (if different from street address above):					
Information Regarding the Debtor (Check the Applicable Boxes)					
Venue (Check any applicable box) <input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.					
Type of Debtor (Check all boxes that apply)			Chapter or Section of Bankruptcy Code Under Which the Petition is Filed (Check one box)		
<input type="checkbox"/> Individual(s) <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____			<input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank		
<input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Sec. 304 - Case ancillary to foreign proceeding			<input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13		
Nature of Debts (Check one box) <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business			Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only)		
Chapter 11 Small Business (Check all boxes that apply) <input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101 <input type="checkbox"/> Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e) (Optional)			Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.		
Statistical/Administrative Information (Estimates only)					THIS SPACE IS FOR COURT USE ONLY
<input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.					
Estimated Number of Creditors (on a consolidated basis)					
Estimated Assets (on a consolidated basis)					
Estimated Debts (on a consolidated basis)					

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.

CERTIFICATE OF RESOLUTIONS

I, Marc G. Schuback, a duly authorized officer of the companies set forth on Annex A attached hereto (collectively, the “Companies”), hereby certify that at a special meeting of the Boards of Directors (collectively, the “Boards”) of the Companies duly called and held on March 1, 2004 by telephone conference, the following resolutions were duly adopted and that these resolutions have not been modified or rescinded and are still in full force and effect on this date:

RESOLVED, that in the judgment of the Boards of Directors of the Companies, it is desirable and in the best interests of the Companies, their creditors, sole stockholder, employees, and other interested parties that petitions be filed by the Companies seeking relief under the provisions of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);

RESOLVED, that the President, the Senior Vice President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Assistant Secretary, and any other person designated and so authorized to act (each, an “Authorized Officer”) of the Companies be, and each hereby is, authorized, empowered, and directed, in the name and on behalf of the Companies, to execute and verify petitions under chapter 11 of the Bankruptcy Code and to cause the same to be filed in the United States Bankruptcy Court for the Southern District of New York (the “Court”) at such time as the Authorized Officer executing the petitions shall determine;

RESOLVED, that each of the Authorized Officers, and such other officers of the Companies as the Authorized Officers shall from time to time designate, be, and hereby are, authorized and empowered on behalf of, and in the name of, the Companies to execute and file all petitions, schedules, lists, and other papers and to take any and all action that any Authorized Officer may deem necessary, proper or desirable in connection with the chapter 11 case, with a view to the successful prosecution of the case.

Hiring of Counsel and Other Professionals

RESOLVED, that the law firm of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 be, and it hereby is, employed as attorneys for the Companies under a general retainer; and further

RESOLVED, that each of the Authorized Officers of the Companies, and such other officers as they shall from time to time designate, be, and they hereby are, authorized to execute and file all petitions, schedules, lists, and other papers and to take any and all action that they may deem necessary or proper in connection with the chapter 11 cases and in that

connection to retain and employ all assistance by attorneys, investment bankers, accountants, and other professionals that they may deem necessary or proper with a view to the successful administration of the chapter 11 case.

Debtor-In-Possession Loan Facility

RESOLVED, that in connection with the commencement of these chapter 11 cases by the Companies, the Authorized Officers of the Companies be and hereby are, authorized and empowered on behalf of, and in the name of the Companies to negotiate, make, execute and deliver any agreement or agreements in connection with the Debtor-in-Possession Credit Agreement (the "DIP Credit Agreement") among Footstar, Inc. and Footstar Corporation (the "Borrowers"), with Fleet National Bank, as administrative agent and swingline lender, Fleet Retail Group, Inc., (formerly known as Fleet Retail Financial Inc.) as collateral agent for the lenders thereunder, GE Corporation Financial Service, Inc., as syndication agent and Back Bay Capital Funding LLC, as term agent for the term lender thereunder, which agreement or agreements (and any and all amendments thereto and renewals and extensions thereof) may contain any terms and provisions whatsoever which any of the said Authorized Officers may deem appropriate, including, but not limited to, provisions for the Companies to (i) guaranty the obligations of the Borrowers under DIP Credit Agreement, (ii) grant to the collateral agent, for the benefit of lenders, a lien upon all or any portion of the real and personal assets held, owned or controlled by the Companies as security for the guarantees and (iii) waive its right to trial by jury and other rights it may have as deemed appropriate by any of said Authorized Officers.

Ratification of Past Actions

RESOLVED, that all acts and deeds of any of the officers of the Companies taken prior to the date hereof to carry out the intent and accomplish the purposes of the foregoing resolutions are hereby approved, adopted, ratified and confirmed in all respects as the acts and deeds of the Companies.

General Authority

RESOLVED, that each of the Authorized Officers, and such other officers of the Companies as the Authorized Officers shall from time to time designate, and any employees or agents (including counsel) designated by or directed by any such officers, be, and hereby is, authorized and empowered to cause the Companies and such of its affiliates as management deems appropriate to enter into, execute, deliver, certify, file and/or record, and perform, such agreements, instruments, motions, affidavits, applications for approvals or ruling of governmental or regulatory authorities, certificates and other documents, and to take such other actions, as in the judgment of such officer shall be or become necessary, proper and desirable to prosecute to a successful completion the chapter 11 case, to effectuate the restructuring of the debt, other obligations, organizational form and structure and ownership of the Companies consistent with the foregoing resolutions and to carry out and put into effect the purposes of the foregoing resolutions and the transactions contemplated by these resolutions, their authority thereunto to be evidenced by the taking of such actions.

There being no further business, the meeting was adjourned.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of March,
2004.

/s/ Marc G. Schuback
Signature

By: Marc G. Schuback
Title: Vice President

Annex A

STELLAR WHOLESALING, INC.
FOOTSTAR CENTER, INC.
MELDISCO H.C., INC.
MILES SHOES MELDISCO LAKEWOOD, COLORADO, INC.
LFD I, INC.
LFD II, INC.
SHOE ZONE CENTER, INC.
ATHLETIC ATTIC OF TEXAS, INC.
ATHLETIC CENTER, INC.
FOOTACTION CENTER, INC.
APACHE-MINNESOTA THOM MCAN, INC.
MALL OF AMERICA FAN CLUB, INC.
FEET CENTER, INC.
FEET OF COLORADO, INC.
FWS I, INC.
FWS II, INC.
NEVADA FEET, INC.
CONSUMER DIRECT WAUSAU, INC.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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:
In re : **Chapter 11 Case No.**
:
FOOTSTAR, INC., et al., : **04-_____ (____)**
:
Debtors. : **(Jointly Administered)**
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**LIST OF CREDITORS HOLDING
20 LARGEST UNSECURED CLAIMS**

Following is a list of creditors holding the 20 largest unsecured claims, on a consolidated basis, against the Debtor and its debtor affiliates that also commenced chapter 11 cases in this Court on the date hereof¹.

Except as set forth above, the list of creditors has been prepared in accordance with Rule 1007(d) of the Federal Rules of Bankruptcy Procedure. This list does not include (i) persons who come within the definition of "insider" set forth in section 101(31) of chapter 11 of title 11 of the United States Code or (ii) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims.

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address, including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff²</i>	<i>Amount of claim (if secured also state value of security)</i>

Refer to the list included with the chapter 11 petition of the Debtor's ultimate parent, Footstar, Inc., filed contemporaneously herewith.

¹ The information herein shall not constitute an admission of liability by, nor is it binding on, the Debtor.

² All claims are subject to customary offsets, rebates, discounts, reconciliations, credits, and adjustments, which are not reflected on this list.

DECLARATION UNDER PENALTY OF PERJURY:

I, the undersigned authorized officer of the Debtor in this case, declare under penalty of perjury that I have read the foregoing consolidated list of creditors holding the 20 largest unsecured claims against the Debtor and certain of its affiliates and that it is true and correct to the best of my information and belief.

Dated: March 2, 2004

/s/ Gary Kahn

Signature

By: Gary Kahn

Title: Vice President